

## **Part 6**

### **Energy Conservation and Alternative Financing**

#### **63A-5-601 Legislative findings and policy.**

- (1) The Legislature finds the following:
  - (a) The operation of facilities owned and controlled by the state consumes significant amounts of energy.
  - (b) Facilities owned and controlled by the state present a significant opportunity for energy cost savings through the implementation of conservation measures.
  - (c) Principles which produce efficient facility management in the private sector are equally applicable to the management of public buildings and facilities.
  - (d) There exists, in the private sector, favorable alternative methods of financing energy conservation measures which are not readily adaptable to financing state facility energy efficiency improvements due to current budgetary practices.
  - (e) Maximization of energy conservation efforts in light of limited resources requires careful advance planning by responsible agencies.
- (2) The Legislature declares that it is the policy of the state to:
  - (a) undertake aggressive programs designed to reduce energy use in state facilities in order to reduce the operating costs of state government and to set an example of energy efficiency for the public;
  - (b) utilize, to the greatest practical extent, alternative funding sources and methods of financing energy efficiency improvements in state facilities in a manner which minimizes the necessity for increased appropriations;
  - (c) employ private sector management incentive principles, to the extent practicable, to implement the policies in Subsections (2)(a) and (b);
  - (d) develop incentives to encourage state entities to conserve energy, reduce energy costs, and utilize renewable energy sources where practicable; and
  - (e) procure and use energy efficient products where practicable.

Renumbered and Amended by Chapter 334, 2008 General Session  
Renumbered and Amended by Chapter 382, 2008 General Session

#### **63A-5-602 Appropriation for energy efficiency measures.**

- (1) For purposes of this part:
  - (a) "Energy efficiency measures" is as defined in Section 63A-5-701.
  - (b) "Energy savings" means money not expended by a state agency as the result of energy efficiency measures.
  - (c) "State agency" is as defined in Section 63A-5-701.
- (2) Except as provided under Subsection (4) and subject to future budget constraints, the Legislature may not remove energy savings from a state agency's appropriation.
- (3) A state agency shall use energy savings to:
  - (a) fund the cost of the energy efficiency measures; and
  - (b) if funds are available after meeting the requirements of Subsection (3)(a), fund and implement new energy efficiency measures.
- (4) The Legislature may remove energy savings if:
  - (a) a state agency has complied with Subsection (3)(a); and
  - (b) no cost effective new energy efficiency measure is available for implementation.

- (5) A state agency may consult with the State Building Energy Efficiency Program manager in the Division of Facilities and Construction Management regarding:
- (a) the cost effectiveness of energy efficiency measures; and
  - (b) ways to measure energy savings that take into account fluctuations in energy costs and temperature.

Enacted by Chapter 334, 2008 General Session

**63A-5-603 State Facility Energy Efficiency Fund -- Contents -- Use of fund money.**

- (1) As used in this section:
- (a) "Board" means the State Building Board.
  - (b) "Division" means the Division of Facilities Construction and Management.
  - (c) "Fund" means the State Facility Energy Efficiency Fund created by this section.
- (2) There is created a revolving loan fund known as the "State Facility Energy Efficiency Fund."
- (3) To capitalize the fund, the Division of Finance shall, at the end of fiscal year 2007-08, transfer \$3,650,000 from the Stripper Well-Petroleum Violation Escrow Fund to the fund.
- (4) The fund shall consist of:
- (a) money transferred under Subsection (3);
  - (b) money appropriated by the Legislature;
  - (c) money received for the repayment of loans made from the fund; and
  - (d) interest earned on the fund.
- (5) The board shall make a loan from the fund to a state agency to, wholly or in part, finance energy efficiency measures.
- (6)
- (a)
    - (i) A state agency requesting a loan shall submit an application to the board in the form and containing the information that the board requires, including plans and specifications for the proposed energy efficiency measures.
    - (ii) A state agency may request a loan to fund all or part of the cost of energy efficiency measures.
  - (b) If the board rejects the application, the board shall notify the applicant stating the reasons for the rejection.
- (7)
- (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the board shall make rules establishing:
    - (i) criteria to determine:
      - (A) loan eligibility;
      - (B) energy efficiency measures priority; and
      - (C) ways to measure energy savings that take into account fluctuations in energy costs and temperature; and
    - (ii) a method of monitoring actual savings resulting from energy efficiency measures implemented using loan money from the fund, using objective and verifiable post-construction measures, if available.
  - (b) In making rules that establish prioritization criteria for energy efficiency measures, the board may consider:
    - (i) possible additional sources of revenue;
    - (ii) the feasibility and practicality of the energy efficiency measures;
    - (iii) the energy savings attributable to eligible energy efficiency measures;

- (iv) the annual energy savings;
  - (v) the projected energy cost payback of eligible energy efficiency measures;
  - (vi) other benefits to the state attributable to eligible energy efficiency measures;
  - (vii) the availability of federal funds for the energy efficiency measures; and
  - (viii) whether to require a state agency to provide matching funds for the energy efficiency measures.
- (8)
- (a) In reviewing energy efficiency measures for possible funding, the board shall:
    - (i) review the loan application and the plans and specifications for the energy efficiency measures;
    - (ii) determine whether to grant the loan by applying the loan eligibility criteria; and
    - (iii) if the loan is granted, prioritize funding of the energy efficiency measures by applying the prioritization criteria.
  - (b) The board may condition approval of a loan application and the availability of funds on assurances from the state agency that the board considers necessary to ensure that the state agency:
    - (i) uses the proceeds to pay the cost of the energy efficiency measures; and
    - (ii) implements the energy efficiency measures.
- (9) The division shall annually report to the Government Operations Interim Committee of the Legislature the actual savings resulting from energy efficiency measures implemented using loan money from the fund, as monitored pursuant to rules adopted under Subsection (7)(a)(ii).
- (10) The State Building Energy Efficiency Program shall provide staff support when the board performs the duties established in this section.

Amended by Chapter 322, 2016 General Session